

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF:**

**JOSE M. LOPEZ and**

**SILVANO C. RAMIREZ and**

**MILAGROS D.S.J.B., LLC. and**

**their partners, members, officers and directors, agents,**

**employees, affiliates, successors and assigns.**

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) **No. 1000465**  
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**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENT: Jose M. Lopez  
213 Prairie Street  
Aurora, Illinois 60505**

**Silvano C. Ramirez  
719 Front Street  
Aurora, Illinois 60505**

**Milagros D.S.J.B., LLC  
470 Hinman Street  
Suite B  
Aurora, Illinois 60505**

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Jose M. Lopez (hereinafter at times "Lopez" or collectively with Silvano C. Ramirez and Milagros D.S.J.B. LLC "Respondents") has a last known address of 213 Prairie Street, Aurora, Illinois 60505.
2. Respondent Silvano C. Ramirez (hereinafter at times "Ramirez" or collectively with Lopez and Milagros D.S.J.B. LLC "Respondents") has a last known address of 719 Front Street, Aurora, Illinois 60505.
3. Respondent Milagros D.S.J.B. LLC (hereinafter at times "Milagros" or collectively with Lopez and Ramirez "Respondents") had a last known address of 470 Hinman Street, Suite B, Aurora, Illinois 60505 and is now dissolved.

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4. Milagros was established in June 2008 by Lopez and Ramirez, jointly as organizers and managers, for the purpose of soliciting individuals ("Investor(s)") to place monetary funds with Respondents and to allow Respondents to invest the fund on behalf of the Investors.
5. Respondent Lopez was primarily responsible for the placement, investment and day-to-day control of the Investors' funds.
6. Respondent Ramirez was responsible for soliciting Investors and for completing other tasks that were not directly related to managing, controlling or investing funds.
7. Between October 2008 and November 2008 Respondent Ramirez solicited an Illinois Investor to place \$50,000 with Milagros in exchange for a 1% ownership interest in Milagros.
8. Ramirez promised the Investor that Milagros, through its agents, would manage and invest the \$50,000 in securities and/or commodities and return a profit to the Investor based upon a forthcoming written agreement which was executed on November 21, 2008.
9. Respondents assured Investor they would use his investment only for the business purpose of trading securities and/or commodities and return a profit to the Investor.
10. On November 3, 2008 the Investor remitted a cashier's check to Milagros in the amount of \$50,000, and payable to "Milagros D.S.J.B" which was negotiated into a Milagros account at Harris Bank, also on November 3, 2008.
11. On November 21, 2008 Milagros and the Investor signed a document entitled "Joint Venture Agreement for Milagros DSJB, LLC" which provided that in exchange for \$50,000 the Investor would receive a 1% ownership interest in Milagros plus monthly payments of \$1,500 to be paid over period of time which was not stated in the document.
12. The "Joint Venture Agreement for Milagros DSJB, LLC" was signed by the Investor and by Respondent Silvano C. Ramirez.
13. On or about November 6, 2008 Respondent Lopez withdrew the \$50,000 from the Harris Bank account and placed it into a personal Jose M. Lopez OptionsExpress trading account through which trades were made by Lopez between November 2008 and January 2009 ("Timeframe").
14. During the Timeframe the trading losses plus the account costs/fees in the Lopez OptionsExpress account reduced the balance to \$21,251.

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15. Lopez then withdrew the balance of \$21,251 from the OptionsExpress account, and placed it into his own Harris bank account which he subsequently withdrew and used for his own personal and business purposes.
16. The activities described above in paragraphs 7-12 constitute the offer and sale of an investment contract and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

### **FAILURE TO REGISTER SECURITIES**

17. Section 5 of the Act provides, *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
18. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
19. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
20. Section 12.D of the Act provides *inter alia* that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
21. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.

### **FRAUD**

22. Respondents did not pay the Investor the amounts due him according to the terms of the investment contract, but instead lost approximately 50% of the funds through trading activities in a personal Lopez OptionsExpress account, and placed the remainder of the investment funds into a personal Lopez bank account, and then withdrew and converted the funds to their own use and benefit.
23. Respondents failed and refused to notify Investor that they were converting a portion of the investment to their own use and benefit, instead of using it for business purposes to trade in securities and/or commodities markets.

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24. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof".
25. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading".
26. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to employ any device, scheme or artifice, to defraud in connection with the sale or purchase of any security, directly or indirectly".
27. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if they make further offers, or if they make any sales of investment contracts or other securities described above in the State of Illinois.
28. The aforementioned findings are based upon credible evidence.
29. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
30. The entry of this Temporary Order of Prohibition prohibiting Respondents, Jose M. Lopez, Silvano C. Ramirez and Milagros D.S.J.B. LLC or their partners, members, officers and directors, agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Jose M. Lopez, Silvano C. Ramirez and Milagros D.S.J.B. LLC**, and their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A

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request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 14<sup>th</sup> day of August 2012.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James J. Tierney  
Illinois Securities Department  
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